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# Selected Speeches and News Releases

May 26 - June 2, 1988

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# Remarks

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U.S. Department of Agriculture • Office of Information

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Remarks prepared for delivery by Secretary of Agriculture Richard E. Lyng before the COCERAL Congress in Athens, Greece, May 26.

I appreciate the invitation to appear once again before this organization. We have reached a critical crossroads in agricultural trade policy. We still have deep differences in our views on what the world trade rules should be. We must work as hard as we can to reach some agreement. That is why I am pleased to be here.

The crisis in agricultural trade policy was acknowledged in 1986, when the Uruguay GATT round was authorized in Punta del Este with a broad mandate for agricultural trade reform.

In July of last year, the United States tabled our proposal for reform—a far-reaching plan that strikes, we think, at the fundamental problem in agricultural trade. The root cause of our woes is grossly excessive government interference in the marketplace. The solution is simple: removing trade-distorting government subsidies and trade barriers, and harmonizing health and sanitary regulations.

Look where current policies have brought us. We have a chronic supply imbalance in agricultural products. Farmers are overproducing, a direct result of government programs which over-stimulate the farm sector.

Last week in Paris at the OECD Ministerial meetings I drew the analogy between our collective agricultural policies and the practices of early cities who for far too long disposed of their effluent by dumping it in the river. Those who say they cannot envision a time when export subsidies would not be necessary are like the city which gives no consideration to the toxic or aesthetic effects of its sewage upon those who live downstream. Civilization has long recognized that such environmental pollution must be corrected. It is clearly intolerable.

But is not the dumping of huge farm surpluses into the stream of world commerce a very similar form of uncaring pollution... economic pollution? Is it fair to these poorer nations of the world who live “downstream” who find that their farm economies are polluted because of the thoughtless, self-centered actions of those who dump surplus sugar, or beef, or butter, or wheat, or other farm products at prices far below



costs of production? Of course not. It is not fair, and it is not a wise policy for the people of the world. The economic pollution which results causes all kinds of instability and distress, leading inevitably to social and political turmoil.

My country is no stranger to subsidies. We have found it necessary to expand our export programs to protect our share of the world market from the encroachment of other governments. We are prepared to continue such policies, even though they are self-defeating in the long run and result in a huge waste of resources.

The total cost of the agricultural policies that we have all been following is much greater than the budgetary burden of our support programs—direct costs of \$23 billion in my country last year, \$30 billion in the EC. The total worldwide costs of subsidies has been estimated to be over \$200 billion per year. In addition, the cost to the consumer of artificially-high prices is enormous. But worst of all is the outright waste of resources, due to the misallocation that inevitably results when market forces are ignored.

Such a squandering of resources is a terrible drag on the economies of the developed nations, but it is an absolute tragedy for developing nations. Many of these nations would rely on agricultural exports for the bulk of their income, but are priced out of those world markets.

The U.S. proposal in the Uruguay Round would eventually prevent governments from impeding the free flow of agricultural resources. We propose to phase in this solution over ten years, but we think we can begin the process now. If others agree, we could start as early as next January 1. But we cannot accept any short-term solutions that merely push the problem into the future.

What is needed now is an agreement on the kind of world trading discipline we should have; a definition of our objective, of our goal. This, then, will make it possible to start the step-by-step process we need to achieve our reform aims.

Next year the U.S. Congress will begin considering a new farm bill which will direct the path of U.S. agriculture for five more years. Congress will be looking at the progress at the GATT negotiations. Undoubtedly, if progress seems blocked, the sentiment will be to legislate more policies and programs to offset the unfair trade practices of other nations.

As you who are leaders in Europe return to your own countries I hope you will consider the effects of continued or even expanded government

interference in your activities. Consider the advantages of a step-by-step elimination of trade distorting subsidies and trade barriers. Consider the kind of world we could have with greater economic freedom in agriculture.

I hope you will agree that major trade reforms are badly needed. I hope you will urge the agricultural leaders, the farm leaders in your countries to begin the development of the long-term goals, of the long-term objectives which are so necessary if we are going to have a successful mid-term agreement of the Uruguay Round in Montreal next December.

Thank you, again, for this opportunity to present our views.

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# News Releases

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## **USDA ANNOUNCES PROPOSED EXPORT PROGRAM FOR SUNFLOWERSEED OIL**

WASHINGTON, May 26—Acting Under Secretary of Agriculture Richard W. Goldberg today announced proposed procedures for the Sunflowerseed Oil Assistance Program, a new export program that would provide a bonus to U.S. exporters to facilitate additional sales of sunflowerseed oil in targeted world markets.

The program would be similar to the Export Enhancement Program except that the bonus or subsidy provided to U.S. exporters will be crude sunflower-seed oil rather than Commodity Credit Corporation certificates provided under the EEP. USDA would announce targeted countries as under the EEP.

The program is authorized by the Rural Development, Agriculture and Related Agencies Appropriations Act of 1988, which directs the secretary of agriculture to purchase \$10 million of sunflowerseed oil, using funds available under Section 32 of Public Law 74-320, to facilitate additional export sales of sunflowerseed oil.

The public is invited to submit written comments regarding the proposed rules for the program. A notice of the proposed rules was published today in the Federal Register. Comments can be mailed or delivered to the General Sales Manager, Foreign Agricultural Service, USDA, Washington, D.C. 20250-1000.

For more information, call Larry McElvain, (202) 447-6211, or William Hawkins, (202) 447-3241.

Sally Klusaritz (202) 447-3448

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## **NEW FACILITY FOR MEAT ANIMAL RESEARCH AND VETERINARIAN TRAINING STARTED**

WASHINGTON, May 26—Ground will be broken tomorrow for a one-of-a-kind veterinary research and training facility to be built with \$7



million of federal, state and private funds at the U.S. Department of Agriculture's Roman L. Hruska U.S. Meat Animal Research Center, Clay Center, Neb.

"The facility, which should be operational by May 1990, will allow us to expand research into new areas to bridge the gap between animal production and animal health protection," said center director Robert R. Oltjen of USDA's Agricultural Research Service.

The new Cooperative Research and Training Facility is a joint venture of the USDA research agency, the University of Nebraska and Kansas State University's College of Veterinary Medicine.

Orville G. Bentley, assistant secretary of agriculture for science and education, is among those scheduled to speak tomorrow at the 1:30 p.m. (CDT) ceremony. Nebraska U.S. Congresswoman Virginia Smith will give the keynote speech. Merlyn Carlson, a Lodgepole, Neb., rancher and past president of the National Cattlemen's Association, will preside.

USDA researchers at the new facility will develop preventive health programs geared for large numbers of beef cattle, pigs and sheep. "Researchers will use a systems approach to tackle animal health problems affecting livestock from birth to slaughter," Oltjen said. "A systems approach means we will consider the best options for preventing disease in each of the many different kinds of animal production environments in this country."

Among the new USDA research studies:

- \* Incidence, distribution and control of important diseases in large herds and flocks.
- \* Production losses associated with specific diseases such as bovine respiratory disease, ovine progressive pneumonia in sheep and bluetongue and other diseases that cause reproductive losses.
- \* Optimal nutrition to increase disease resistance of animals in today's production systems.
- \* Genetic factors associated with disease resistance in animals.
- \* Food safety assurance, with emphasis on control or elimination of disease organisms, such as salmonella and listeria, to prevent transmission to human food.

"The USDA research center's animal population numbering 25,000—12,000 cattle, 10,000 sheep, 3,000 swine—is unique. It's the

only place I know of in the world that allows such experimental control of large populations of animals,” said veterinary medical officer Travis Littledike, who will head the USDA Animal Health Systems research unit at the new facility.

The USDA research will be carried out in one of two buildings to be constructed. The other building will house up to 20 senior KSU veterinary students who will diagnose and treat the animals under supervision of Nebraska’s veterinary faculty and USDA herd health veterinarian Gary Ross. As part of the cooperative arrangements, Nebraska will enroll up to 30 veterinary students a year in KSU’s College of Veterinary Medicine.

Others scheduled to speak at tomorrow’s groundbreaking:

- \* Pat McGinley of Oshkosh, Neb., co-chairman of the Livestock Industry Task Force;
- \* Kansas State University Provost James Coffman;
- \* Chancellor Martin Massengale of the University of Nebraska-Lincoln;
- \* University of Nebraska Regent John Payne of Kearney; and
- \* Nebraska state senator Rod Johnson of Sutton.

Linda Cooke (309) 685-4011

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## **USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON**

WASHINGTON, May 26—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, May 27, through 12:00 midnight Thursday, June 2.

Since the AWP is above the 1987-crop base quality loan rate of 52.25 cents per pound, the loan repayment rate for 1987-crop upland cotton during this period is equal to the loan rate for the specific quality and location.

The AWP will be used to determine the value of upland cotton that is

obtained in exchange for commodity certificates. However, no coarse count adjustment will be applicable during the period because the adjustment is less than 1.00 cent per pound.

Based on data for the week ending May 26, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price	
Northern Europe Price .....	67.30
Adjustments:	
Average U.S. spot market location .....	9.53
SLM 1-1/16 inch cotton .....	2.00
Average U.S. location .....	0.44
Sum of Adjustments .....	<u>-11.97</u>
ADJUSTED WORLD PRICE .....	55.33 cents/lb.

Coarse Count Adjustment	
Northern Europe Price .....	67.30
Northern Europe Coarse Count Price .....	<u>-60.95</u>
	6.35
Adjustment to SLM 1-inch cotton .....	<u>-6.25</u>
	-0.10
COARSE COUNT ADJUSTMENT .....	0 cents/lb.

The next AWP and coarse count adjustment announcement will be made on June 2.

Charles Cunningham (202) 447-7954

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USDA RELEASES COST OF FOOD AT HOME FOR APRIL

WASHINGTON, May 27—Here is the U.S. Department of Agriculture’s monthly update of the weekly cost of food at home for April 1988.



Cost of food at home for a week in April 1988

	-----Food plans-----			
	(In Dollars)			
	Thrifty	Low-cost	Moderate cost	Liberal
Families:				
Family of 2 (20-50 years)	40.60	51.70	64.00	79.80
Family of 2 (51 years and over)	38.60	49.50	61.40	73.80
Family of 4 with preschool children	59.10	74.20	91.00	112.10
Family of 4 with elemen- tary schoolchildren	67.80	87.30	109.50	132.30
Individuals in four-person families:				
Children:				
1-2 years	10.70	13.00	15.20	18.40
3-5 years	11.50	14.20	17.60	21.20
6-8 years	14.10	18.90	23.70	27.70
9-11 years	16.80	21.40	27.60	32.10
Females:				
12-19 years	17.50	21.00	25.60	31.10
20-50 years	17.50	22.00	26.80	34.50
51 and over	17.40	21.30	26.50	31.80
Males:				
12-14 years	17.50	24.30	30.50	35.80
15-19 years	18.10	25.20	31.30	36.30
20-50 years	19.40	25.00	31.40	38.00
51 and over	17.70	23.70	29.30	35.30



USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost, and liberal.

Laura Sims, Ph.D., administrator of the Human Nutrition Information Service, said the plans consist of foods that provide well-balanced meals and snacks for a week.

In computing the costs, USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods, and other nonfood items bought at the store.

“USDA costs are only guides to spending,” Sims said. “Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes, and how much food is prepared at home.

“Most families will find the moderate-cost or low-cost plan suitable,” she said. “The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited resources might use the liberal plan.”

To use the chart to estimate your family's food costs:

—For members eating all meals at home—or carried from home—use the amounts shown in the chart.

—For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out 5 days a week, subtract 25 percent, or one-fourth the cost shown.

—For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the “individual” figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

—For a one-person family, add 20 percent.

—For a two-person family, add 10 percent.

—For a three-person family, add 5 percent.

—For a five- or six-person family, subtract 5 percent.

—For a family of seven or more, subtract 10 percent.

Details of the four family food plans are available from the Nutrition Education Division, Human Nutrition Information Service, USDA, Federal Building, Hyattsville, Md. 20782.

Johna Pierce (301) 436-8617

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## **CATTLE PRODUCERS AND IMPORTERS SUPPORT BEEF PROMOTION AND RESEARCH PROGRAM**

WASHINGTON, May 27—The U.S. Department of Agriculture today announced that in a May 10 national referendum cattle producers and importers voted to continue the national beef promotion and research program.

Kenneth A. Gilles, assistant secretary of agriculture for marketing and inspection services, said of the 256,505 valid ballots cast, 202,408, or 78.91 percent, favored the program and 54,097, or 21.09 percent, opposed continuing it. USDA's Agricultural Marketing Service conducted the referendum with the assistance of USDA's Extension Service and Agricultural Stabilization and Conservation Service.

Since the majority of producers and importers supported the program, the Cattlemen's Beef Board will continue to collect assessments of \$1 per head on all cattle sold in the United States and an equivalent amount on all imported cattle, beef, and beef products, Gilles said.

Since the Beef Promotion and Research Act of 1985 does not provide for refunds after the passage of the referendum, producers and importers will no longer be entitled to refunds of assessments on cattle sold after today, Gilles said. However, cattle producers and importers who paid assessments on cattle sold from Oct. 1, 1986, through today are eligible for a one-time refund if they requested a refund within 60 days of the sale date, i.e., the date the assessment was levied. The Cattlemen's Beef Board, which administers the national checkoff program, expects to issue these refunds in late August, following its processing of the refund requests.

Assessments generated under the program finance promotion, research, and consumer information activities designed to strengthen the beef industry's position in the marketplace. The program, authorized by the Beef Promotion and Research Act of 1985, is conducted under an order issued July 18, 1986. Collection of assessments started Oct. 1, 1986. The

act requires a referendum not later than 22 months after issuance of the order. AMS monitors the program.

### State-by-State Beef Referendum Results

STATE	YES VOTES	NO VOTES	TOTAL
Alabama .....	4,393	667	5,060
Alaska .....	2	1	3
Arizona .....	1,254	123	1,377
Arkansas .....	4,769	497	5,266
California .....	6,094	379	6,473
Colorado .....	5,511	1,663	7,174
Connecticut .....	72	63	135
Delaware .....	28	8	36
Florida .....	3,880	206	4,086
Georgia .....	4,328	569	4,897
Hawaii .....	53	4	57
Idaho .....	3,540	550	4,090
Illinois .....	6,120	1,288	7,408
Indiana .....	4,833	1,605	6,438
Iowa .....	7,474	3,428	10,902
Kansas .....	12,754	4,107	16,861
Kentucky .....	8,211	1,209	9,420
Louisiana .....	1,992	120	2,112
Maine .....	64	25	89
Maryland .....	430	106	536
Massachusetts .....	49	30	79
Michigan .....	2,398	418	2,816
Minnesota .....	3,092	1,443	4,535
Mississippi .....	3,754	451	4,205
Missouri .....	8,035	3,097	11,132
Montana .....	7,731	2,519	10,250
Nebraska .....	8,629	5,517	14,146
Nevada .....	773	231	1,004
New Hampshire .....	46	27	73
New Jersey .....	69	41	110
New Mexico .....	3,168	696	3,864



New York . . . . .	1,012	670	1,682
North Carolina . . . . .	1,940	130	2,070
North Dakota . . . . .	4,877	1,978	6,855
Ohio . . . . .	2,858	512	3,370
Oklahoma . . . . .	9,502	3,338	12,840
Oregon . . . . .	4,411	408	4,819
Pennsylvania . . . . .	2,925	1,624	4,549
Rhode Island . . . . .	7	0	7
South Carolina . . . . .	1,568	213	1,781
South Dakota . . . . .	7,256	3,627	10,883
Tennessee . . . . .	6,131	1,081	7,212
Texas . . . . .	32,181	4,400	36,581
Utah . . . . .	2,044	161	2,205
Vermont . . . . .	145	141	286
Virginia . . . . .	2,910	994	3,904
Washington . . . . .	2,519	188	2,707
Washington, D.C. . . . .	1	0	1
West Virginia . . . . .	1,479	541	2,020
Wisconsin . . . . .	1,823	2,009	3,832
Wyoming . . . . .	3,273	994	4,267
TOTALS . . . . .	202,408	54,097	256,505
PERCENTAGE	78.91	21.09	

Clarence Steinberg (202) 447-6179

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**USDA ANNOUNCES SUPPORT LEVEL, BY TYPE, FOR 1988 PEANUTS**

WASHINGTON, May 27—The U.S. Department of Agriculture today announced levels of price support—by type, quality and location—for the 1988 peanut crop. These price support levels are based on previously announced national average price support levels of \$615.27 per short ton for quota peanuts and \$149.75 per ton for additional peanuts.

The price support level for quota peanuts, by type, for an average grade ton of 1988 crop peanuts will be:

—\$616.77 for Virginia-type peanuts — \$618.83 for Runner-type peanuts — \$584.55 for Spanish-type peanuts



—\$616.77 for Valencia-type peanuts from the Southwest area which are suitable for cleaning and roasting

—\$584.55 for other Valencias.

Section 1017 of the Food Security Act of 1985 provides for the determination of the rate of loans, payments and purchases, under a program established under the Agricultural Act of 1949 for any of the 1986 through 1990 crops of a commodity without regard to the requirements for notice and public participation in rulemaking prescribed in section 553 of Title 5, United States Code, or in any directive of the secretary of agriculture.

The method of computing the price support levels for the various types of 1988 crop peanuts, and the grades within the types, is the same as for the 1987 crop, except for Virginia-type peanuts. For Virginia-type, the 5-year statistical base used to project the expected quality of the 1988 crop excludes the 1983 crop quality statistics. Instead, the 1982 crop statistics were used because of the extreme weather conditions during the 1983 growing season in the areas where Virginia-type peanuts are customarily grown and the risk that the 1983 crop data would unduly distort the projection.

The actual price support levels for an individual lot of peanuts will depend on the mix of the various sizes of kernels in each ton and other factors.

The price support level per ton for each percent of sound mature kernels, including sound split kernels, will be, by type:

—Virginia-type peanuts, \$8.947 — Runner-type peanuts, \$8.772

—Spanish-type peanuts, \$8.816

—Valencia-type peanuts in the Southwest area suitable for cleaning and roasting, \$9.243

—other Valencias, \$8.816.

The per ton loan value for additional peanuts will be 24.34 percent of the loan value for a ton of quota peanuts of equal quality.

That percentage reflects the relationship between the \$149.75 per ton national support level for additional peanuts and the \$615.27 per ton national support level for quota peanuts.

Schedules setting forth all price-support premiums and discounts will be available at peanut-buying points and from area marketing associations.

John C. Ryan (202) 447-6788.

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## USDA LAUNCHES BIOLOGICAL CONTROL CAMPAIGN AGAINST LEAFY SPURGE WEED

WASHINGTON, May 31—The U.S. Department of Agriculture is launching a biological counterattack against leafy spurge, one of the most costly weeds to infest western rangeland.

“Leafy spurge has been growing virtually unchecked by natural enemies since it arrived from Europe or Asia about a century ago,” said James W. Glosser, administrator of USDA’s Animal and Plant Health Inspection Service. “Cattle will not eat the weed or even graze near it due to irritating chemicals in the plant. Damage by leafy spurge in the northern Great Plains has been estimated at \$35 to \$45 million per year.”

Ranchers have tried spraying chemicals to control leafy spurge, but the costs per acre outweigh the benefits by as much as 10 to 1. Last year, Congress directed APHIS to develop a biological control program using natural enemies to attack the weed.

Glosser said efforts to control leafy spurge will be based both in Europe and the United States.

In Europe, APHIS has contracted with USDA’s Agricultural Research Service to mass collect known enemies of leafy spurge. Over the last 12 years, ARS scientists headquartered in Rome have identified five species of known leafy spurge enemies in Italy, Austria and Hungary: a stem-boring beetle, three species of root-feeding flea beetles and a gall midge. All of these already have been cleared for release in the United States.

“The big challenge now is for APHIS to produce large numbers of beneficial insects after the collections have been brought back from Europe,” Glosser said. “We can’t expect to receive more than 500 to 1,000 insects of any one species because there aren’t many wide-open spaces left in Europe for leafy spurge to flourish. So it’s up to the APHIS biological control laboratories to raise enough beneficial insects for release in this country.”

Glosser said it can take two years or longer to attain the numbers needed. By that time, however, APHIS biological control specialists also will have acquired the information needed to advise cooperators on the best time and place to release each of the new species.

“We’re doing everything we can to assure that new colonies of beneficial insects will get a good start,” Glosser said. “I am confident that eventually our counterattack against leafy spurge will be successful and that ranchers will get relief from this costly weed.”



In addition to the introductions of known leafy spurge foes, APHIS has contracted with a British institution to collect additional natural enemies in Europe. However, before any newly collected leafy spurge enemies are brought to the United States, scientists will make sure that they are selective enough in their taste so that they won't attack 12 American relatives of leafy spurge considered to be desirable plants. "Several of these plants are range-based wild flowers so rare that they may soon be listed as threatened species," Glosser said.

Max Heppner (301) 436-7799

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## USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, May 31—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 10.58 cents per pound;
- medium grain whole kernels, 9.72 cents per pound;
- short grain whole kernels, 9.62 cents per pound;
- broken kernels, 5.29 cents per pound.

Loan repayment rates for 1987-crop warehouse or farm-stored rice loans are the higher of the world prices or 50 percent of the loan rates.

Based upon these prevailing world market prices for milled rice, the estimated average world prices for 1987 crop rough rice are:

- long grain, \$6.37 per hundredweight;
- medium grain, \$6.05 per hundredweight;
- short grain, \$5.86 per hundredweight.

The prices announced are effective today at 3 p.m. EDT. The next scheduled price announcement will be made June 7 at 3 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

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## USDA ISSUES PERMIT FOR FIELD TESTING OF INSECTICIDAL BACTERIA

WASHINGTON, May 31—The U.S. Department of Agriculture has issued a permit to Crop Genetics International, Hanover, Md., allowing the company to field test bacteria it developed with the genetically engineered ability to kill certain destructive insect pests.

The bacteria will be tested under controlled conditions at two Maryland sites in Queen Annes and Prince Georges counties. Scientists will study the altered bacteria's ability to protect corn plants from European corn borers, the most damaging insect pest of U.S. corn.

“These experiments have been exhaustively reviewed by both USDA and the Environmental Protection Agency,” said James W. Glosser, administrator of USDA's Animal and Plant Health Inspection Service. “It is our consensus that the experiments would not be environmentally harmful.”

Geneticists engineered a bacterium, *Clavibacter xyli* (subspecies *cynodontis*), to carry a gene for a chemical that becomes toxic only when ingested by caterpillars. The insecticidal property was transferred to *C. xyli* from *Bacillus thuringiensis*, a bacterium used as a biological control agent to combat insect pests for the past 20 years.

When scientists inoculate the plants experimentally, the bacteria can grow in corn and may reduce insect feeding. However, APHIS has determined in an environmental assessment that *C. xyli*—which causes a stunting disease in Bermudagrass—does not occur or spread naturally in corn and that these experiments could not introduce the bacteria to nearby crops.

Copies of the environmental assessment documents may be obtained from: USDA, APHIS, Biotechnology and Environmental Coordination Staff, Room 406, 6505 Belcrest Rd., Hyattsville, Md. 20782.

Anita K. Brown (301) 436-6455

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## USDA ANNOUNCES SPECIAL HAYING AND GRAZING PROVISIONS FOR DROUGHT AREAS

WASHINGTON, May 31—A U.S. Department of Agriculture official announced today that counties found to be suffering from drought will be authorized emergency haying and grazing of acreage conservation reserve and conservation use acreage.

“Haying and grazing will be allowed for any consecutive five-month period between April 1 and October 31 in counties found to be suffering from a natural disaster occurring in 1988 that has adversely affected pasture and forage crops,” said Milton Hertz, administrator of the USDA’s Agricultural Stabilization and Conservation Service.

Hertz said determination of eligible counties will be made on a county-by-county basis. “The ASCS County Committee will request designation as a disaster area and the State ASC Committee must concur,” Hertz said. “Final determination will be made by the deputy administrator for state and county operations in Washington, D.C.”

Hertz said that for the deputy administrator to approve a request, it must be determined that there will not be an adverse economic effect on hay producers in that particular county. Also, any hay or forage harvested may not be sold. A producer may allow other producers to hay and graze his own acreage and may charge a reasonable harvesting fee for the privilege but may not receive compensation for any value of the vegetative matter that is harvested or grazed. The producer may recover the cost of making the hay.

Hertz also noted several other actions that been taken in response to emergency conditions. “Producers already enrolled in the 1988 acreage reduction programs for wheat and feed grains may receive payments in accordance with the 0/92 disaster provisions, even though the March 11 deadline for participation in 0/92 has passed.”

“The Emergency Feed Program and the Emergency Feed Assistance Program are also available for eligible producers,” Hertz said.

The Emergency Feed Program provides that the Commodity Credit Corporation will share with livestock producers the cost of purchasing livestock feed, including hay. The cost share is up to 50 percent of the cost of feed, not to exceed five cents per pound grain equivalent.

The Emergency Feed Assistance Program allows eligible producers to purchase CCC-owned grain at 75 percent of the county loan rate to feed their foundation livestock.

Producers whose counties are designated as eligible for these emergency programs can get further details from their county ASCS office.

Bruce Merkle (202) 447-6787

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## **CCC LOAN INTEREST RATE FOR JUNE 7-1/4 PERCENT**

WASHINGTON, June 1—Commodity loans disbursed in June by the U.S. Department of Agriculture's Commodity Credit Corporation will carry an 7-1/4 percent interest rate, according to Milton Hertz, CCC executive vice president.

The new rate, up from May's 6-7/8 percent, reflects the interest rate charged CCC by the U.S. Treasury in June.

Robert Feist (202) 447-6789

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## **FARMER-OWNED RESERVE LEVELS SET FOR 1988 WHEAT, FEED GRAIN**

WASHINGTON, June 1—Secretary of Agriculture Richard E. Lyng today announced that farmer-owned grain reserve levels for the 1988 crop years are 300 million bushels for wheat and 450 million bushels for feed grains; corn, sorghum, barley and oats.

When 1988 crop wheat and feed grain loans mature, entry into the farmer-owned grain reserve will only be permitted if reserve quantities fall below the levels specified above and market prices for these commodities do not exceed 140 percent of the current nonrecourse loan rates, Lyng said.

Lyng also announced reserve price release levels effective for the 1988 wheat and feed grain marketing years:

Commodity	Marketing Year	*Release Price (\$/bu)
Wheat	June 1, 1988-May 31, 1989	4.23
Barley	June 1, 1988-May 31, 1989	2.51
Oats	June 1, 1988-May 31, 1989	1.55
Corn	Sept. 1, 1988-Aug. 31, 1989	2.93
Sorghum	Sept. 1, 1988-Aug. 31, 1989	2.78

\*When the five-day moving national average market price for a commodity reaches the reserve release level, producers may repay their farmer-owned grain reserve loan principal plus interest with cash and not be subject to an early withdrawal penalty.

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